GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2003
ANSWERED ON:02.12.2002
PURCHASE MANUAL
RAMJI MANJHI

Will the Minister of AGRICULTURE be pleased to state:

(a) whether Scientific Advisory Committee recommended the preparation of Purchase Manual in 1989 for the purchase of typewriters, duplicating machines, air-conditioners, furniture, computers, stationery and other items of common nature etc.;

(b) if so, whether the Manual has been prepared;

(c) if so, the details thereof;

(d) whether the purchases exceedig Rs. 50,000/- are to be made through open tenders failing which it is mandatory to record the reasons in writing; and

(e) if so, the details of such purchases made during the last three years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) On the recommendations of Scientific Advisory Committee to the Cabinet, theGovernment of India in their Department of Science & Technology O.M. No. DST/17/3/1/83dated 28.12.1983 conveyed enhanced Delegation of Powers to the Scientific Departments and have exempted them from the purview of DGS&D subject to the condition that theorganisation concerned would evolve suitable procedure for the exercise of enhanced powers in the matter of purchase and disposal of stores directly. So far as the Council is concerned a Committee under the Chairmanship of Dr. A.M. Michael, Director, IARI was constituted in 1986 to evolve suitable revised store purchase procedure and to look into the existing purchase procedure and identify and specify the bottlenecks if any. The Committee submitted its report during 1989. The major recommendations of the Committeewere accepted and adopted with the approval of the Governing Body of the Council in itsmeeting held in March, 1989. These recommendations were conveyed to all the Constituent Units of ICAR during June 1989 (copy enclosed).

(b) & (c) : So far as the preparation of Purchase Manual is concerned a consultancy hasbeen awarded to National Institute of Financial Management (NIFM), Faridabad for this purposein 2001. The National Institute of Financial Management (NIFM) had submitted the draft Purchase Manual which was examined in the Council and some suggestion were made.The final report on the Purchase Manual is awaited from the NIFM.

(d) Purchases exceeding Rs. 50,000/- were required to be made through invitation of opentender upto 27th May, 1999 except in special circumstances which are required to be recorded in writing. These limits have been revised by the Govt. of India from 28th May, 1999. According to revised guidelines incorporated in GFR limited tender system should ordinarilybe adopted in the case of all order the estimated value of which is less than Rs. 2 lakhs. For purchases of value of Rs. 2 lakhs and above but less than Rs. 5 lakh tender enquiries may be issued in the form of classified advertisement in the local newspapers. For the purchases of value of Rs. 5 lakhs and above, open tender may be advertised in the National Daily in addition to Indian Trade Journal.

(e) All the constituent units of the Council which are more 100 in number are required to be follow the guidelines of the GFR.As regards the details of purchases over Rs. 50,000/- made in the last three years without open tender, if any, can only be given after collecting information from all the constituent units.

Annexure 9 to Schedule III

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN, NEW DELHI

No.F.18(2)/85-Cdn(A&A) Dated the 14th June, 1989.

To

The Directors of All Research Institutes/Directorates/National Research Centres etc.

Subject : Review of existing system of Store Purchase and Inventory Control at ICAR Headquarters and its Research Institutes.

Sir,

On the recommendations of the Scientific Advisory Committee to the Cabinet, the Government of India in their Department of Science and Technology O.M.No.DST/17/3/1/83 dated 28.12.1983 conveyed enhanced delegation of powers to the Scientific Departments and have exempted them from the purview of DGS&D subject to the condition that the organizations concerned would evolve suitable procedures for the exercise of enhanced powers in the matter of purchase and disposal of stores directly.

2. In this background and with a view to evolve suitable revised store purchase procedure, a Committee had been constituted under the Chairmanship of Dr. A.M. Michael, Director, Indian Agricultural Research Institute to look into the existing purchase procedure, to identify and specify bottlenecks, if any, in terms of delays and cost over-runs under the present system of procurement of store through DGS&D and to suggest alternative methods of store purchase and inventory control including drafting of stores and purchase manual so that it may be followed by the Council and its Institutes. The said Committee has since submitted its report and the same has been discussed and approved by the Governing Body of the Council in its meeting held during March 1989.

3. The major recommendations of the committee as approved by the Governing Body of the Council are attached as Annexure for information, guidance and compliance by the Council and its research Institutes subject to the following conditions :

(a) Principles laid down in General Financial Rules are followed.

(b) Detailed specifications are prescribed for all items including sophisticated items of Stores/equipments etc. at the time of calling tenders.

(c) Complete measures are taken for carrying out inspection of stores.

4. The detailed procedure for procurement and custody of stores based on the approval of the Governing Body will be laid down in the Stores and Purchase Manual.

5. The receipt of this letter may please be acknowledged.

Yours faithfully,

Sd/-

(G.S. Srivastava)
Secretary

ANNEXURE

1. The Institutes will continue operating DGS&D rate contract for procurement of their supplies relating to typewriters, Duplicating machines, air conditioners and furniture. For other items of stores the Institute will be free to procure on DGS&D rate running contracts directly from the contractual firms at their discretion without going for the observance of codal purchase procedure provided this is considered advisable in the larger interest of economy subject to the following conditions :-

i) The supplies are procured on the same rates terms and conditions as are prescribed by the DGS&D for its DirectDemanding Officers except that with regard to the requirement of pre-delivery inspections, the Institute concerned will make necessary arrangements and assume full responsibilities to ensure supplies according to the prescribed specifications. For ensuring this inspection they may utilise the services of their staff holding the requisite expertise or may obtain assistance from outside sources (other Institutes, State Government departments, Universities or other Government undertakings etc.) as may be locally available.

ii) The supplying agency undertake to make the supply on our order form on the same rates terms and conditions as applicable to DGS&D and proper contract is entered into by the concerned Institute with the supplying agency to ensure full safeguard.

iii) The payment is made on receipt of material or on proof of despatch or otherwise in accordance with normal financial rules.

iv) The expenditure so incurred on the purchase does not exceed the amount which would have been incurred in case the purchase would have been effected through DGS&D.

2. The Institutes should conclude rate/running contracts with the leading suppliers/manufacturers themselves for items of common nature. The period of currency of such rate/running contracts should normally be for one year which can be extended for another one year by mutual agreement provided it is considered in the interest of the Council. Adequate safeguard should also be taken while finalising rate contracts to ensure timely supplies, quality material, pre-delivery inspection and also post purchase maintenance wherever required.

3. Single tender system may be adopted in the case of articles which are specifically certified as of proprietory nature by the indenting authorities or when it is to the knowledge of the procuring agency that only a particular firm is the manufacturer of the stores demanded. Purchases by Brand Name can not be termed as items of proprietory nature.

4. The system of ab-initio negotiation should be adopted in exceptional circumstances only e.g.

i) Where there is no competetion.
ii) Where the tendered rates are apparently higher as compared to the known market price.
iii) Where it is apprehended that the suppliers have formed a pool before quoting the rates and the negotiations are likely to bring down the prices.

Negotiations should not be made with one or two firms but should be made with all the firms who have tendered their rates.

5. Purchase of stationery items may be effected either from the Central Government Employees Cooperative Stores or from Super Bazars or otherwise after following the normal purchase procedures if it is considered economical in the interest of the Council.

6. All stores and equipments before acceptance should be arranged to be inspected on receipt by an appropriate officer designated for the purpose, normally within 24 hours of the receipt of the stores. Stores such as electrical goods, mechanical instruments, refrigeration material should be inspected/functionally tested by persons of technical competence. Inspection/functional tests of sophisticated instruments should be carried out by the indentor himself with the assistance of the experts concerned. The stores of general use and repetitive nature such as vim, dusters, glasswares and stationery items should be inspected by the Store Officer with the assistance of the Officers having expertise in the field. The Officers charged with the responsibility of inspection of goods should invariably record and certify all inspections and inspection reports should be countersigned by the Head of Division/Project concerned after making random checks.

7. Detailed specifications of the items required to be procured should clearly be indicated at the time of calling tenders/quotations and the lowest quoter should be accepted according to those specifications only.

8. The functions of the stores relating
(i) Purchase and
(ii) Custody, accounting and distribution should be dealt with by separate units/officers except in case where it is not possible due to limited manpowers.

9. The above procedure is subject to the following conditions :

(a) Principles laid down in General Financial Rules are followed.

(b) detailed specifications are prescribed for all items including sophisticated item of Stores/Equipments etc. at the time of calling tenders.

(c) Complete measures are taken for carrying out inspection of Stores.